

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD A COUNTY BUDGET MEETING ON TUESDAY, APRIL 22, 2014 AT 6:00 P.M., IN THE BOARD OF SUPERVISORS MEETING ROOM LOCATED IN THE GOVERNMENT CENTER, 1255 FRANKLIN STREET, SUITE 104, ROCKY MOUNT, VIRGINIA.

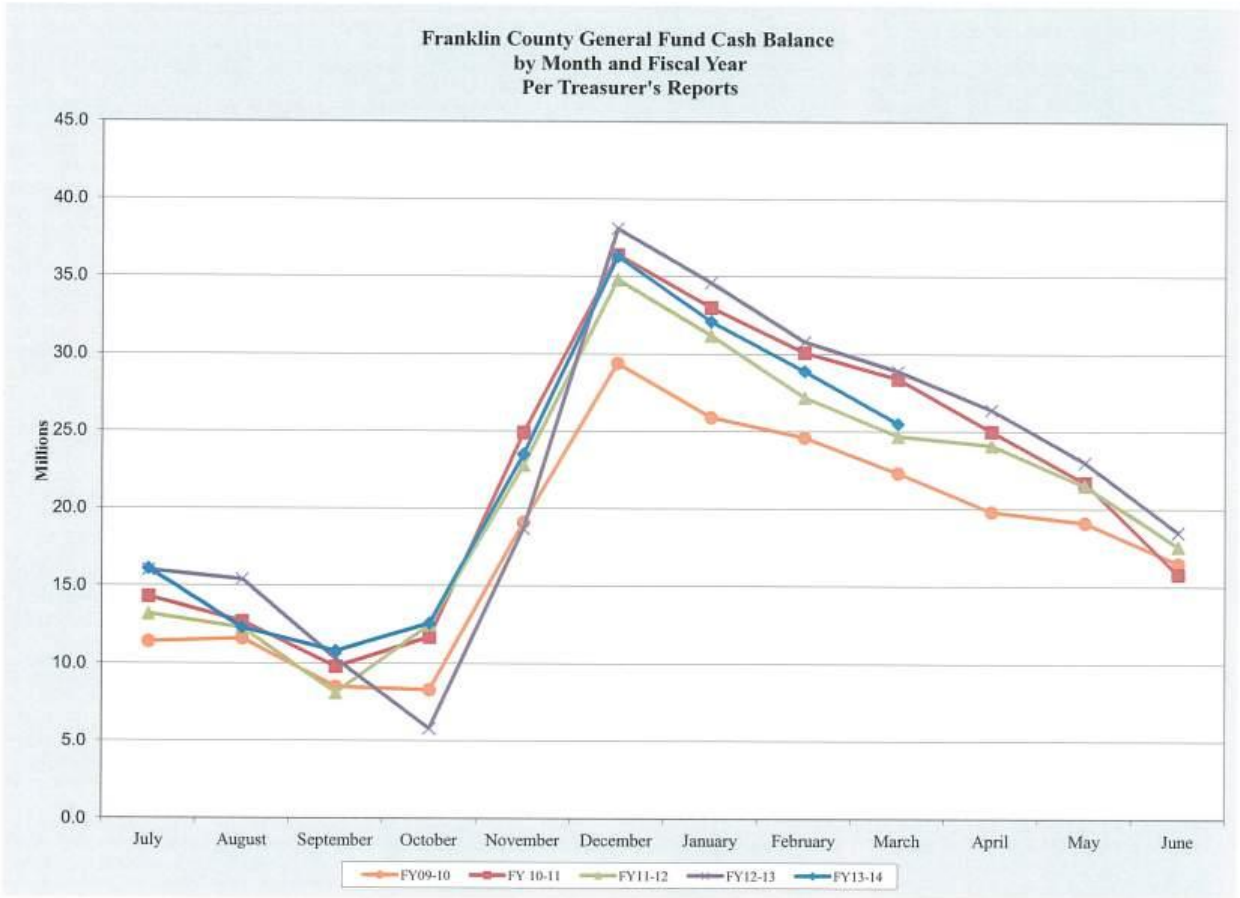
THERE WERE PRESENT: David Cundiff, Chairman
 Cline Brubaker, Vice-Chairman
 Charles Wagner
 Ronnie Thompson
 Leland Mitchell
 Bob Camicia
 Bobby Thompson

OTHERS PRESENT: Richard E. Huff, II, County Administrator
 Christopher Whitlow, Deputy County Administrator
 Sharon K. Tudor, MMC, Clerk

Chairman David Cundiff called the meeting to order.

ADOPTION OF FY'2014-2015 COUNTY TAX LEVIES

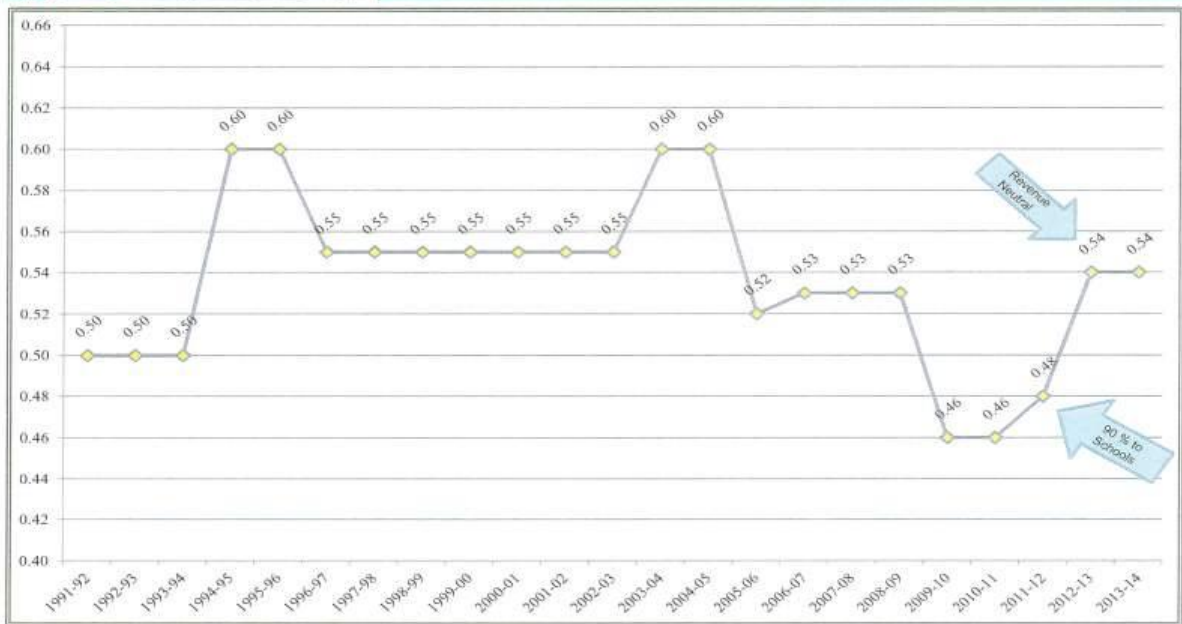
Mr. Richard E. Huff, II, County Administrator, shared with the Board a chart of the General Fund Cash Balance by Month and Fiscal Year Per Treasurer's Reports:



TAX RATE HISTORY:



Franklin County Real Estate Tax Rate History



BUDGET SCENARIO'S SUBMITTED FOR THE BOARD'S REVIEW AND CONSIDERATION:

Scenario 1 VLF increase to \$34.25 2¢ Personal Property Increase 1¢ Real Estate Increase 1¢ Real Estate Increase	Advertised Budget \$500,000 To Debt Reserve \$100,000 To Debt Reserve \$635,000 To County \$635,000 To Schools \$1,870,000
Implications ⚡ As advertised - Did not cover full Health Insurance needs, no raises	

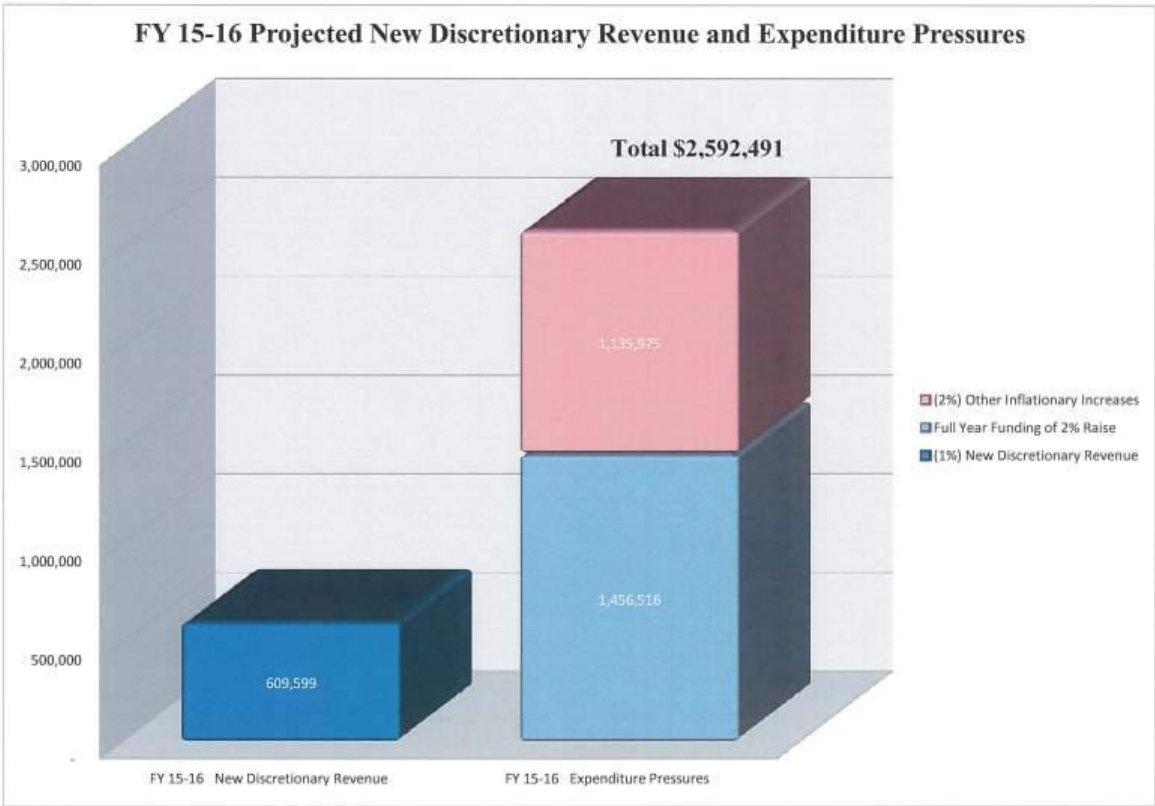
Scenario 2 VLF increase to \$34.25 2¢ Personal Property Increase 1¢ Real Estate Increase	1¢ to Schools & County Split \$500,000 To Debt Reserve \$100,000 To Debt Reserve \$379,735 To County \$255,265 To Schools \$1,235,000
Implications ⚡ County must cut \$255,265 from advertised ⚡ Schools must cut \$379,735 from advertised budget	

Scenario 3 VLF increase to \$34.25 2¢ Personal Property Increase 1¢ Real Estate Increase	1¢ to County, None to Schools \$500,000 To Debt Reserve \$100,000 To Debt Reserve \$635,000 To County \$1,235,000
Implications ⚡ Schools must cut \$635,000 from advertised budget	

Scenario 4 VLF increase to \$34.25 2¢ Personal Property Increase 1¢ Real Estate Increase 1¢ Equivalent	1¢ to County & \$635,000 to Schools from CIP \$500,000 To Debt Reserve \$100,000 To Debt Reserve \$635,000 To County \$635,000 To Schools \$1,870,000
Implications ⚡ Recurring money must be put back into CIP or CIP reduced until it is ⚡ Equivalent of 1¢ taken from CIP and covered with Fund Balance	

Scenario 5 VLF increase to \$34.25 2¢ Personal Property Increase Combination of Cuts & One Time Funds	No RE Tax Increase \$500,000 To Debt Reserve \$100,000 To Debt Reserve ? \$600,000
Implications ⚡ Some combination of cuts and one time funds equivalent to \$1,270,000 from advertised budget ⚡ Bond Rating Agencies and Financial Advisors have advised not to use one time funds for recurring expenses Debt Service Reserve can be considered to fill gaps, but has implications for coming up with the equivalent of 6¢ in next 5 years.	

FY'15-16 PROJECTED NEW DISCRETIONARY REVENUE & EXPENDITURES PRESSURES



DISCRETIONARY REVENUES HAVE INCREASED ONLY \$1.8 MILLION (ACT.) IN 4 YEARS



PROPOSED FY'14-15 BUDGET
POSSIBLE BUDGET REDUCTIONS
APRIL 22, 2014

Franklin County
Proposed FY14-15 Budget
Possible Budget Reductions
April 22, 2014

Description	Amount	Fund Balance Needed
Software Purchases (IT Department) **	\$34,000	\$34,000 To be funded from one time Fund Balance
Small Capital in Electoral Board and Registrar Budget **	\$10,000	\$10,000 To be funded from one time Fund Balance
Reduction in Per Diem Rate from Juvenile Detention Center	\$10,000	5% reduction in per diem announced last week
Half Year Funding of Maintenance Tech Position in General Properties	\$27,089	January Hire
Board Contingency	\$33,757	Leaves a balance of \$100,000
Piedmont Community Services New Building Support - Technology Drive (Three Years Remaining - \$75,000 to be Appropriated from Fund Balance) **	\$25,000	\$75,000 To be funded from one time Fund Balance
Goodwill Reduction	\$10,000	
Agricultural Fair Funds**	\$50,000	\$50,000 To be funded from one time Fund Balance
Additional Month Savings on Security Screeners for New Entrance to Courthouse	\$5,500	December hire rather than November-Opening of Courthouse is mid January
Reduce Estimate for Leachate Disposal	\$29,319	
Economic Development Part Time	\$20,600	Funds used for Study and consultant in current year
Total Needed from General Fund to Cover School Shortfall Should 1 Penny be Reduced	\$255,265	
Sub Total	\$255,265	\$169,000

Option 4 Shortfall		To Find From Advertied Budget (\$635,000-Option 4)	
\$379,735	\$435,049	\$255,265	County 87%
\$255,265	\$292,635	\$379,735	Schools 87%
\$635,000	\$727,684		87%

General discussion ensued.

Mr. Richard E. Huff, II, County Administrator, shared with the Board the following advertised information on the proposed Tax Levies within the FY'2014-2015 County Budget:

<u>Expenditure Function</u>	<u>Adopted Expenditures</u>	<u>Percent of Budget</u>
General and Financial Administration	\$4,195,798	3.23%
Judicial System	\$2,256,094	1.74%
Public Safety	\$14,251,880	10.98%
Public Works	\$3,545,150	2.73%
Health and Welfare	\$11,694,429	9.01%
Schools	\$82,110,612	63.27%
Recreation and Cultural	\$1,928,496	1.49%
Community Development	\$2,361,782	1.82%
Debt Service	\$2,887,432	2.22%
Non-Departmental	\$779,077	0.60%
Capital Outlay	\$3,235,501	2.49%
Utilities	\$545,326	0.42%
Sub-Total	\$129,791,577	100.00%
Transfers Between Funds	\$39,841,245	
Total	\$169,632,822	

<u>Revenue Function</u>	<u>Adopted Revenues</u>	<u>Percent Of Budget</u>
General Property Taxes/Other Local Taxes	\$58,390,138	44.99%
State Funds – County	\$15,580,032	12.00%
State School Funds	\$38,707,535	29.82%

Federal School Funds	\$8,010,170	6.17%
Local School Funds	\$2,999,431	2.31%
Other County Funds	\$5,410,601	4.17%
Fund Balance	\$693,670	0.54%
Sub-Total	<u>\$129,791,577</u>	<u>100.00%</u>
Transfers Between Funds	\$39,841,245	
Total	<u>\$169,632,822</u>	

**A HEARING TO SET TAX LEVIES FOR THE FOLLOWING
CLASSES OF PROPERTY:**

1. Setting a tax levy of \$.56/\$100 of assessed value on real estate, public service corporation property, and mobile homes; pursuant to the authority of 58.1-3200, 58.1-3201, 58.1-3202, 58.1-3203, 58.1-3204, 58.1-3205 of the Code of Virginia, as amended.
2. Setting a tax levy of \$2.36/\$100 of assessed value on personal property, pursuant to the authority of 58.1-3500, 58.1-3501, 58.1-3502, 58.1-3503, 58.1-3506 of the Code of Virginia, as amended.
3. Setting a tax levy of \$1.89/\$100 of assessed value on personal property, classified as heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity equipment and ditch and other types of diggers owned by businesses pursuant to the authority of 58.1-3508.2 of the Code of Virginia, as amended.
4. Setting a tax levy of \$0.70/\$100 assessed value on machinery and tools based on original cost and declining depreciation over a 7-year period. By the seventh year of depreciation, the effective rate is \$0.28 per \$100 assessed value. This rate is levied pursuant to the authority of 58.1-3507(B) of the Code of Virginia, as amended.
5. Setting a tax levy of \$1.08/\$100 of assessed value on merchants' capital, pursuant to the authority of 58.1-3509, and 58.1-3510 of the Code of Virginia, as amended.

Chairman Cundiff thanked the School/County committee for their support and assistance during the budgeting process. Mr. Cundiff supported Scenario #2.

(RESOLUTION #12-04-2014)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to adopt the following FY' 2013-2014 Scenario 1, as advertised:

**A HEARING TO SET TAX LEVIES FOR THE FOLLOWING
CLASSES OF PROPERTY:**

1. Setting a tax levy of \$.56/\$100 of assessed value on real estate, public service corporation property, and mobile homes; pursuant to the authority of 58.1-3200, 58.1-3201, 58.1-3202, 58.1-3203, 58.1-3204, 58.1-3205 of the Code of Virginia, as amended.
2. Setting a tax levy of \$2.36/\$100 of assessed value on personal property, pursuant to the authority of 58.1-3500, 58.1-3501, 58.1-3502, 58.1-3503, 58.1-3506 of the Code of Virginia, as amended.
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the effective rate is \$0.28 per \$100 assessed value. This rate is levied pursuant to the authority of 58.1-3507(B) of the Code of Virginia, as amended.

5. Setting a tax levy of \$1.08/\$100 of assessed value on merchants' capital, pursuant to the authority of 58.1-3509, and 58.1-3510 of the Code of Virginia, as amended.

MOTION BY: Bob Camicia
SECONDED BY: Bobby Thompson
VOTING ON THE MOTION WAS AS FOLLOWS:
AYES: Camicia, Thompson & Cundiff
NAYS: Mitchell, Ronnie Thompson, Wagner, Brubaker

MOTION FAILS WITH A 3-4 VOTE.

Mr. Huff shared with the Board possible budget reductions to cover the \$255,000 shortfall on the County's side, as follows:

Franklin County Proposed FY14-15 Budget Possible Budget Reductions April 22, 2014			
Description	Amount	Fund Balance Needed	
Software Purchases (IT Department) **	\$34,000	\$34,000	To be funded from one time Fund Balance
Small Capital in Electoral Board and Registrar Budget **	\$10,000	\$10,000	To be funded from one time Fund Balance
Reduction in Per Diem Rate from Juvenile Detention Center	\$10,000		5% reduction in per diem announced last week
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Total Needed from General Fund to Cover School Shortfall Should 1 Penny be Reduced	\$255,265		
Sub Total	\$255,265	\$169,000	

Option 4 Shortfall To Find From Advertised Budget (\$635,000-Option 4)			
\$379,735	\$435,049	\$255,265	County 87%
\$255,265	\$292,635	\$379,735	Schools 87%
\$635,000	\$727,684		87%

(RESOLUTION #13-04-2014)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to approve the County's FY' 2014-2015 budget set out in Scenario 2 and to transfer \$500,000 from School Fund Balance to the County's side of the ledger and to adopt the aforementioned listing of possible budget reductions as reviewed and discussed.

Expenditure Function	Adopted Expenditures	Percent of Budget
General and Financial Administration	\$4,195,798	3.23%
Judicial System	\$2,256,094	1.74%
Public Safety	\$14,251,880	10.98%
Public Works	\$3,545,150	2.73%
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Sub-Total	\$129,791,577	100.00%
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Total	\$169,632,822	

A HEARING TO SET TAX LEVIES FOR THE FOLLOWING CLASSES OF PROPERTY:

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- 2. Setting a tax levy of \$2.36/\$100 of assessed value on personal property, pursuant to the authority of 58.1-3500, 58.1-3501, 58.1-3502, 58.1-3503, 58.1-3506 of the Code of Virginia, as amended.
- 3. Setting a tax levy of \$1.89/\$100 of assessed value on personal property, classified as heavy construction machinery, including but not limited to land movers, bulldozers, front-end loaders, graders, packers, power shovels, cranes, pile drivers, forest harvesting and silvicultural activity equipment and ditch and other types of diggers owned by businesses pursuant to the authority of 58.1-3508.2 of the Code of Virginia, as amended.
- 4. Setting a tax levy of \$0.70/\$100 assessed value on machinery and tools based on original cost and declining depreciation over a 7-year period. By the seventh year of depreciation, the effective rate is \$0.28 per \$100 assessed value. This rate is levied pursuant to the authority of 58.1-3507(B) of the Code of Virginia, as amended.
- 5. Setting a tax levy of \$1.08/\$100 of assessed value on merchants' capital, pursuant to the authority of 58.1-3509, and 58.1-3510 of the Code of Virginia, as amended.

MOTION BY: Charles Wagner
SECONDED BY: Cline Brubaker
VOTING ON THE MOTION WAS AS FOLLOWS:
AYES: Mitchell, Wagner, Brubaker, & Cundiff
NAYS: Ronnie Thompson, Camicia, & Bobby Thompson

MOTION PASSED WITH A 4-3 VOTE.

AWARD OF LANDFILL CLOSURE GAS VENTS

Don Smith, Public Works Director, stated the Franklin County Sanitary Landfill, Virginia Solid Waste Permit #72 is a municipal solid waste (MSW) landfill serving the disposal needs of Franklin County. The permitted disposal area consists of approximately 49.6 acres of which approximately 26.6 acres are currently closed. Based on final design closure grades and in conjunction with the operation of Cell 1 in Franklin County's Permit #577, the final waste received in the Permit #72 area should occur in the year 2020. Pursuant to the Virginia Solid Waste Management Regulations (VSWMR), Amendment 8 Franklin County has submitted a Closure Plan for Permit #72. The facility will be closed in accordance with the requirements of 9 VAC 20-81-160 of the VSWMR. These requirements state that a final cover system will be constructed to minimize rainfall infiltration into the waste. It also states that a landfill gas management system will be installed.

The landfill gas management system must be installed prior to final grading of the soil portion of the closure cap. In an effort to minimize large county capital expenditures to outside sources, county staff will be doing a large portion of the grading of the soil portion of the closure cap. To allow this to happen, the soil work must be done in phases over the next several years versus one large undertaking at the very end of the permit life. Staff would like to use the upcoming construction season to grade the cap on the Rte. 220 side of the cell and in doing so needs the landfill gas management system to be installed in this area. This part of the closure cap grading would cost the County approximately \$80,000 if it were outsourced. To achieve these savings and to begin the mandatory closure steps, staff advertised in the Roanoke Times and the Franklin News Post for competitive proposals for the installation of thirteen (13) of the twenty-five (25) required passive gas vents. Staff also notified contractors specializing in this work from a list provided by Joyce Engineering. There were three RFP responses and two declines. The specifications were presented to the prospective bidders with county staff assisting with grading and auger cleanup which saved approximately \$20,000 on the bids.

RECOMMENDATION:

The three bids are shown on the attached bid sheet with CB&I being the low proposal at \$67,195. The engineers estimate for this project was \$85,000. Funding for this project was established and is currently available in the Landfill Closure Set-Aside Capital Account (3000-036-0003-3002, \$585,843.14). Staff respectfully requests the Board to award the low bid and allow staff to contract with CB&I for the amount of \$67,195 to complete the required installation of the 13 passive gas vents, thereby appropriating \$67,195 from the Landfill Closure Set-Aside Capital Account (3000-036-0003-3002 accordingly

(RESOLUTION #14-04-2014)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to award the Landfill Closure Gas Vents bid to CB & I in the amount of \$67,195.

MOTION BY: Charles Wagner

SECONDED BY: Leland Mitchell

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Brubaker, Camicia, Thompson & Cundiff

HEALTH & DENTAL INSURANCE FOR COUNTY EMPLOYEES

Chris Whitlow, Deputy County Administrator, stated during last week's Board of Supervisor's meeting, the County's Health Insurance advisors (Wells Fargo Insurance Services) presented the health & dental insurance renewal analysis for next fiscal year (FY'14-15) with Coventry – Southern Health and Delta Dental. As previously discussed, the County will see another significant increase in health care premiums next year. Wells Fargo initially advised of a Coventry – Southern Health renewal increase of 18%, whereby the Wells Fargo insurance team negotiated this increase down to 14.5%. As the increase was still significant, Wells Fargo worked to provide some preliminary options, thereby reducing the final increase to 12.2% (7.7% increase as a result of high claims/trends and another 4.5% for ACA-Affordable Care Act fees).

After calculating numerous scenarios and presenting various options during the Board's April 15, 2014 meeting, general guidance from the Board of Supervisors for the FY '14-'15 insurance and dental insurance renewals was as follows:

- Initiate Spousal Exclusion - An employee could not cover his/her spouse if that spouse has coverage through an employer. This recommendation is made since spouses generally have higher utilization than employees to hedge against future increases.
- Include Employee plus children tier - Currently, if an employee wants to just cover him or herself and multiple children then they pay for "Family" coverage. Adding this tier of coverage will allow more flexibility.
- No plan changes, whereby POS 25/500 and POS 30/1000 plans are offered again next fiscal year.
- Plans would remain on a calendar year deductible plan year, as they currently are (Deductibles NOT reset until January 1st, 2015). All deductible credit would be given for the current calendar year should an employee change plans. If an individual moved from the 25/500 to the 30/1000 plan they would receive credit for their previous \$500, but would have to satisfy another \$500 after 7/1/14 to satisfy the \$1000 deductible.
- Approximately \$94K provided as additional employer contribution.
- Change the percentage funding for dental coverage by reducing the contribution and use that money for the medical contribution. Approximately \$56K from dental plan would shift to health insurance.
- County employer percentage contribution is decreased for employee-dependent plans.

- FY '14-15 Health & Dental Insurance rates & contributions provided as follows:

Proposed FY '14-'15 Southern Health – Coventry Insurance Rates & Associated Increases



Franklin County

Renewal Analysis- Revised 5 Tier

Presented By: Kerry N. Smith, CEBS, SPHR
Vice President

Sarah M. Johnson
Benefits Account Executive

Melissa Wahlberg
Benefits Account Representative



Executive Summary

- The original Coventry renewal called for an 18% increase. Wells Fargo Insurance negotiated it down to a 14.5% (4.5% due to ACA fees) before it was released to Franklin.
- After providing preliminary options, we went back to Coventry and got the renewal on the current options reduced further to a 7.7% increase before ACA fees and 12.2% increase overall.
- The ACA Fees projected and included in this renewal for 695 members (employees and dependents) is \$158,710 annually, which equates to 37% of the total increase.
- Wells Fargo has negotiated an overall savings of \$187,497 from the initial renewal preparation on the current options.

Proposed Benefit Changes for FY'14-15

- Initiate Spousal Exclusion- This means that an employee could not cover his/her spouse if that spouse has coverage through an employer. This recommendation is made since spouses generally have higher utilization than employees to hedge against future increases.
- Include Employee plus children tier- Currently, if an employee wants to just cover him or herself and multiple children then they pay for "Family" coverage. Adding this tier of coverage will allow more flexibility.
- Change the funding for dental coverage by reducing or eliminating the contribution and use that money for the medical contribution.
- Plans would remain on a calendar year deductible plan year, as they currently are (Deductibles NOT reset until January 1st, 2015).

Monthly Employee Increase Summary Chart

	Option 1	Option 2	Option 3
	\$94K	\$94K + \$56K	\$94K + \$156K
POS 25/500	Dental	Dental	Dental
EE Only	\$40.46	\$40.46	\$10.14
EE + Child	\$91.86	\$91.86	\$54.64
EE + Spouse	\$146.19	\$146.19	\$92.84
EE + Children	\$25.82	\$25.82	(\$26.29)
EE + Family	\$268.43	\$268.43	\$189.03
	Option 1	Option 2	Option 3
	\$94K	\$94K + \$56K	\$94K + \$156K
POS 30/1,000	Dental	Dental	Dental
EE Only	\$3.79	\$3.79	\$0.00
EE + Child	\$44.71	\$25.24	\$11.23
EE + Spouse	\$75.56	\$53.24	\$27.57
EE + Children	(\$18.65)	(\$40.45)	(\$65.52)
EE + Family	\$152.65	\$111.12	\$81.22

	Option 1	Option 2	Option 3
	\$94K	\$94K + \$56K Dental	\$94K + \$156K Dental
EE + Family	\$152.65	\$111.12	\$81.22

Wells Fargo Employee Benefits Consulting

Option 1
No Plan changes & Employer Annual Amount increased by \$94,000

				Employee and Employer Contributions			Changes in Cost		
	Current Rates	Enr	Rates	Monthly					
POS 25/500	POS 25/500			EE	ER	Total	EE	ER	Total
EE Only	\$520.64	45	\$551.38	\$165.41	\$385.97	\$551.38	\$40.46	(\$9.72)	\$30.74
EE + Child	\$796.57	9	\$827.07	\$330.83	\$496.24	\$827.07	\$91.86	(\$61.36)	\$30.50
EE + Spouse	\$1,093.34	24	\$1,185.47	\$474.19	\$711.28	\$1,185.47	\$146.19	(\$54.06)	\$92.13
EE + Children	\$1,457.79	2	\$1,157.90	\$463.16	\$694.74	\$1,157.90	\$25.82	(\$325.71)	(\$299.89)
EE + Family	\$1,457.79	16	\$1,764.43	\$705.77	\$1,058.66	\$1,764.43	\$268.43	\$38.21	\$306.64
			\$91,253.69	\$34,020.27	\$57,233.42	\$91,253.69			
POS 30/1,000	POS 30/1,000								
EE Only	\$493.81	61	\$519.08	\$77.86	\$441.22	\$519.08	\$3.79	\$21.48	\$25.27
EE + Child	\$755.52	14	\$778.63	\$233.59	\$545.04	\$778.63	\$44.71	(\$21.60)	\$23.11
EE + Spouse	\$1,037.00	33	\$1,116.02	\$334.81	\$781.21	\$1,116.02	\$75.56	\$3.46	\$79.02
EE + Children	\$1,382.68	6	\$1,090.07	\$327.02	\$763.05	\$1,090.07	(\$18.65)	(\$273.96)	(\$292.61)
EE + Family	\$1,382.68	85	\$1,661.06	\$498.32	\$1,162.74	\$1,661.06	\$152.65	\$125.73	\$278.38
			\$227,123.88	\$63,387.58	\$163,736	\$227,123.88			
Monthly Costs		295	\$318,378	\$97,408	\$220,970	\$318,378			
Annual Costs			\$3,820,531	\$1,168,894	\$2,651,637	\$3,820,531			
				Total Annual ER Cost/EE			\$ 8,989		
Employer Contribution Strategy						Current	Renewal		
POS 30/1000 ER contribution %- employee only tier						85%	85%		
POS 30/1000 ER contribution %- dependent cost						75%	70%		
POS 25/500 ER contribution %- employee only tier						76%	70%		
POS 25/500 ER contribution %-dependent cost						70%	60%		

- Employer contribution decreases with a continuing shift to dependent plans.
- \$94K employer contribution increase.

Wells Fargo Employee Benefits Consulting

Option 2
No Plan Changes & Increase of \$150,000

				Employee and Employer Contributions			Changes in Cost		
	Current Rates	Enr	Rates	Monthly					
POS 25/500	POS 25/500			EE	ER	Total	EE	ER	Total
EE Only	\$520.64	45	\$551.38	\$165.41	\$385.97	\$551.38	\$40.46	(\$9.72)	\$30.74
EE + Child	\$796.57	9	\$827.07	\$330.83	\$496.24	\$827.07	\$91.86	(\$61.36)	\$30.50
EE + Spouse	\$1,093.34	24	\$1,185.47	\$474.19	\$711.28	\$1,185.47	\$146.19	(\$54.06)	\$92.13
EE + Children	\$1,457.79	2	\$1,157.90	\$463.16	\$694.74	\$1,157.90	\$25.82	(\$325.71)	(\$299.89)
EE + Family	\$1,457.79	16	\$1,764.43	\$705.77	\$1,058.66	\$1,764.43	\$268.43	\$38.21	\$306.64
			\$91,253.69	\$34,020.27	\$57,233.42	\$91,253.69			
POS 30/1,000	POS 30/1,000								
EE Only	\$493.81	61	\$519.08	\$77.86	\$441.22	\$519.08	\$3.79	\$21.48	\$25.27
EE + Child	\$755.52	14	\$778.63	\$214.12	\$564.51	\$778.63	\$25.24	(\$2.13)	\$23.11
EE + Spouse	\$1,037.00	33	\$1,116.02	\$312.49	\$803.53	\$1,116.02	\$53.24	\$25.78	\$79.02
EE + Children	\$1,382.68	6	\$1,090.07	\$305.22	\$784.85	\$1,090.07	(\$40.45)	(\$252.16)	(\$292.61)
EE + Family	\$1,382.68	85	\$1,661.06	\$456.79	\$1,204.27	\$1,661.06	\$111.12	\$167.26	\$278.38
			\$227,123.88	\$58,717.93	\$168,406	\$227,123.88			
Monthly Costs		295	\$318,378	\$92,738	\$225,639	\$318,378			
Annual Costs			\$3,820,531	\$1,112,858	\$2,707,673	\$3,820,531			

Contribution Strategy	Current	Renewal
POS 30/1000 ER contribution %- employee only tier	85%	85%
POS 30/1000 ER contribution %- dependent cost	75%	72%
POS 25/500 ER contribution %- employee only tier	76%	70%
POS 25/500 ER contribution %- dependent cost	70%	60%

- Employer contribution decreases with a continuing shift to dependent plans.
- \$150K employer contribution could occur by shifting \$56K from county employer dental plan contribution to health insurance with balance of \$94K employer contribution increase.

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Option 2

No Plan Changes & Increase of \$150,000

				Employee and Employer Contributions			Changes in Cost		
	Current Rates	Enr	Rates	Monthly					
POS 25/500	POS 25/500			EE	ER	Total	EE	ER	Total
EE Only	\$520.64	45	\$551.38	\$165.41	\$385.97	\$551.38	\$40.46	(\$9.72)	\$30.74
EE + Child	\$796.57	9	\$827.07	\$330.83	\$496.24	\$827.07	\$91.86	(\$61.36)	\$30.50
EE + Spouse	\$1,093.34	24	\$1,185.47	\$474.19	\$711.28	\$1,185.47	\$146.19	(\$54.06)	\$92.13
EE + Children	\$1,457.79	2	\$1,157.90	\$463.16	\$694.74	\$1,157.90	\$25.82	(\$325.71)	(\$299.89)
EE + Family	\$1,457.79	16	\$1,764.43	\$705.77	\$1,058.66	\$1,764.43	\$268.43	\$38.21	\$306.64
			\$91,253.69	\$34,020.27	\$57,233.42	\$91,253.69			
POS 30/1,000	POS 30/1,000								
EE Only	\$493.81	61	\$519.08	\$77.86	\$441.22	\$519.08	\$3.79	\$21.48	\$25.27
EE + Child	\$755.52	14	\$778.63	\$214.12	\$564.51	\$778.63	\$25.24	(\$2.13)	\$23.11
EE + Spouse	\$1,037.00	33	\$1,116.02	\$312.49	\$803.53	\$1,116.02	\$53.24	\$25.78	\$79.02
EE + Children	\$1,382.68	6	\$1,090.07	\$305.22	\$784.85	\$1,090.07	(\$40.45)	(\$252.16)	(\$292.61)
EE + Family	\$1,382.68	85	\$1,661.06	\$456.79	\$1,204.27	\$1,661.06	\$111.12	\$167.26	\$278.38
			\$227,123.88	\$58,717.93	\$168,406	\$227,123.88			
Monthly Costs		295	\$318,378	\$92,738	\$225,639	\$318,378			
Annual Costs			\$3,820,531	\$1,112,858	\$2,707,673	\$3,820,531			

Contribution Strategy	Current	Renewal
POS 30/1000 ER contribution %- employee only tier	85%	85%
POS 30/1000 ER contribution %- dependent cost	75%	72%
POS 25/500 ER contribution %- employee only tier	76%	70%
POS 25/500 ER contribution %- dependent cost	70%	60%

- Employer contribution decreases with a continuing shift to dependent plans.
- \$150K employer contribution could occur by shifting \$56K from county employer dental plan contribution to health insurance with balance of \$94K employer contribution increase.

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Option 3

No Plan Changes & Increase of \$250,000

				Employee and Employer Contributions			Changes in Cost		
	Current Rates	Enr	Rates	Monthly					
POS 25/500	POS 25/500			EE	ER	Total	EE	ER	Total
EE Only	\$520.64	45	\$551.38	\$135.09	\$416.29	\$551.38	\$10.14	\$20.60	\$30.74
EE + Child	\$796.57	9	\$827.07	\$293.61	\$533.46	\$827.07	\$54.64	(\$24.14)	\$30.50
EE + Spouse	\$1,093.34	24	\$1,185.47	\$420.84	\$764.63	\$1,185.47	\$92.84	(\$0.71)	\$92.13
EE + Children	\$1,457.79	2	\$1,157.90	\$411.05	\$746.85	\$1,157.90	(\$26.29)	(\$273.60)	(\$299.89)
EE + Family	\$1,457.79	16	\$1,764.43	\$626.37	\$1,138.06	\$1,764.43	\$189.03	\$117.61	\$306.64
			\$91,253.69	\$29,665.75	\$61,587.94	\$91,253.69			
POS 30/1,000	POS 30/1,000								
EE Only	\$493.81	61	\$519.08	\$74.07	\$445.01	\$519.08	\$0.00	\$25.27	\$25.27
EE + Child	\$755.52	14	\$778.63	\$200.11	\$578.52	\$778.63	\$11.23	\$11.88	\$23.11
EE + Spouse	\$1,037.00	33	\$1,116.02	\$286.82	\$829.20	\$1,116.02	\$27.57	\$51.45	\$79.02
EE + Children	\$1,382.68	6	\$1,090.07	\$280.15	\$809.92	\$1,090.07	(\$65.52)	(\$227.09)	(\$292.61)
EE + Family	\$1,382.68	85	\$1,661.06	\$426.89	\$1,234.17	\$1,661.06	\$81.22	\$197.16	\$278.38
			\$227,123.88	\$54,752	\$172,372	\$227,124			
Monthly Costs		295	\$318,378	\$84,417	\$233,960	\$318,378			
Annual Costs			\$3,820,531	\$1,013,009	\$2,807,522	\$3,820,531			

Contribution Strategy	Current	Renewal
POS 30/1000 ER contribution %- employee only tier	85%	86%
POS 30/1000 ER contribution %- dependent cost	75%	74%
POS 25/500 ER contribution %- employee only tier	76%	75%
POS 25/500 ER contribution %- dependent cost	70%	65%

- Employer contribution decreases with a continuing shift to dependent plans.
- \$250K employer contribution could occur by shifting \$156K from county employer dental plan (making it fully Voluntary) contribution to health insurance with balance of \$94K from employer increase.

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Voluntary Dental Plan

15.9% Annual Increase and \$156K Cost of Employer Dental Contribution Shifted to Employer Health Contribution

Current Dental Plan					
Contract	Enrolled	Current Premiums	Employer%	Monthly Employer Cost	Monthly Employee Cost
Employee Only	89	\$29.26	76.69%	\$22.44	\$6.82
Employee/Child	16	\$45.79	72.46%	\$33.18	\$12.61
Employee/Spouse	85	\$47.25	72.47%	\$34.24	\$13.01
Family	116	\$89.92	72.48%	\$65.17	\$24.75



FY '14-15 VOLUNTARY Dental Plan					
Contract	Enrolled	Proposed Premiums	Employer Cost	Employee Cost	Employee Increase
Employee Only	89	\$33.92	\$0.00	\$33.92	\$27.10
Employee/Child	16	\$53.08	\$0.00	\$53.08	\$40.47
Employee/Spouse	85	\$54.76	\$0.00	\$54.76	\$41.75
Employee/Children	7	\$82.99	\$0.00	\$82.99	\$58.24
Family	109	\$105.62	\$0.00	\$105.62	\$80.87

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Future Recommendations

- Consider Joint Purchasing with other entities
- Engage employees more in wellness efforts to impact future utilization
- Consider changing contribution strategy or product mix for future employees
- Consider Self Insurance next year

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10

RECOMMENDATION: Staff respectfully requests the Board of Supervisors to approve the FY '14-'15 insurance renewals as presented in this summary accordingly. In addition, staff respectfully requests the Board of Supervisors to consider offering a Health Reimbursement Account (HRA) for FY '14-'15. As such, approximately \$75,000 of carryover money will be requested from carryover at year end to continue providing \$250 towards the deductible after the employee meets the first \$250.

(RESOLUTION #15-04-2014)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to approve as submitted, including the aforementioned bullets as follows:

- Initiate Spousal Exclusion - An employee could not cover his/her spouse if that spouse has coverage through an employer. This recommendation is made since spouses generally have higher utilization than employees to hedge against future increases.
- Include Employee plus children tier - Currently, if an employee wants to just cover him or herself and multiple children then they pay for "Family" coverage. Adding this tier of coverage will allow more flexibility.
- No plan changes, whereby POS 25/500 and POS 30/1000 plans are offered again next fiscal year.
- Plans would remain on a calendar year deductible plan year, as they currently are (Deductibles NOT reset until January 1st, 2015). All deductible credit would be given for the current calendar year should an employee change plans. If an individual moved from the 25/500 to the 30/1000 plan they would receive credit for their previous \$500, but would have to satisfy another \$500 after 7/1/14 to satisfy the \$1000 deductible.
- Approximately \$94K provided as additional employer contribution.
- Change the percentage funding for dental coverage by reducing the contribution and use that money for the medical contribution. Approximately \$56K from dental plan would shift to health insurance.
- County employer percentage contribution is decreased for employee-dependent plans.
- FY '14-15 Health & Dental Insurance rates & contributions provided as follows:

Proposed FY '14-'15 Southern Health – Coventry Insurance Rates & Associated Increases

	Current Rates	Enr	Rates	Employee and Employer Contributions			Monthly Changes in Cost		
				Monthly			EE	ER	Total
				EE	ER	Total			
POS 25/500	POS 25/500								
EE Only	\$520.64	45	\$551.38	\$165.41	\$385.97	\$551.38	\$40.46	(\$9.72)	\$30.74
EE + Child	\$796.57	9	\$827.07	\$330.83	\$496.24	\$827.07	\$91.86	(\$61.36)	\$30.50
EE + Spouse	\$1,093.34	24	\$1,185.47	\$474.19	\$711.28	\$1,185.47	\$146.19	(\$54.06)	\$92.13
EE + Children	\$1,457.79	2	\$1,157.90	\$463.16	\$694.74	\$1,157.90	\$25.82	(\$325.71)	(\$299.89)
EE + Family	\$1,457.79	16	\$1,764.43	\$705.77	\$1,058.66	\$1,764.43	\$268.43	\$38.21	\$306.64
			\$91,253.69	\$34,020.27	\$57,233.42	\$91,253.69			
POS 30/1,000	POS 30/1,000								
EE Only	\$493.81	61	\$519.08	\$77.86	\$441.22	\$519.08	\$3.79	\$21.48	\$25.27
EE + Child	\$755.52	14	\$778.63	\$214.12	\$564.51	\$778.63	\$25.24	(\$2.13)	\$23.11
EE + Spouse	\$1,037.00	33	\$1,116.02	\$312.49	\$803.53	\$1,116.02	\$53.24	\$25.78	\$79.02
EE + Children	\$1,382.68	6	\$1,090.07	\$305.22	\$784.85	\$1,090.07	(\$40.45)	(\$252.16)	(\$292.61)
EE + Family	\$1,382.68	85	\$1,661.06	\$456.79	\$1,204.27	\$1,661.06	\$111.12	\$167.26	\$278.38
			\$227,123.88	\$58,717.93	\$168,406	\$227,123.88			
Monthly Costs		295	\$318,378	\$92,738	\$225,639	\$318,378			
Annual Costs			\$3,820,531	\$1,112,858	\$2,707,673	\$3,820,531			

Proposed FY '14-'15 Employer Percentage Shift of Costs to Employee – Dependent Plans

Contribution Strategy	Current	Renewal
POS 30/1000 ER contribution %- employee only tier	85%	85%
POS 30/1000 ER contribution %- dependent cost	75%	72%
POS 25/500 ER contribution %- employee only tier	76%	70%
POS 25/500 ER contribution %- dependent cost	70%	60%

Proposed FY '14-'15 Delta Dental Insurance Rates & Associated Increases

Current Dental Plan					
Contract	Enrolled	Current Premiums	Employer%	Monthly Employer Cost	Monthly Employee Cost
Employee Only	89	\$29.26	76.69%	\$22.44	\$6.82
Employee/Child	16	\$45.79	72.46%	\$33.18	\$12.61
Employee/Spouse	85	\$47.25	72.47%	\$34.24	\$13.01
Family	116	\$89.92	72.48%	\$65.17	\$24.75



FY '14-'15 Dental Plan						
Contract	Enrolled	Proposed Premiums	Employer%	Employer Cost	Employee Cost	Employee Increase
Employee Only	89	\$30.72	47.69%	\$14.65	\$16.07	\$7.79
Employee/Child	16	\$48.08	43.46%	\$20.90	\$27.18	\$12.28
Employee/Spouse	85	\$49.62	43.47%	\$21.57	\$28.05	\$12.67
Employee/Children	7	\$94.42	43.48%	\$41.05	\$53.37	\$24.12
Family	109	\$94.42	43.48%	\$41.05	\$53.37	\$24.12

*Dental Rates Indicate 5% Annual Increase and \$56K of Employer Dental Contribution Shift

MOTION BY: Bob Camicia
SECONDED BY: Bobby Thompson
VOTING ON THE MOTION WAS AS FOLLOWS:
AYES: Mitchell, Thompson, Wagner, Brubaker, Camicia, Thompson & Cundiff

Chairman Cundiff adjourned the meeting.

DAVID CUNDIFF
CHAIRMAN

SHARON K. TUDOR, MMC
CLERK